GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

UNSTARRED QUESTION NO:3233
ANSWERED ON:10.12.2001
IMPACT OF WTO ON AGRICULTURE
SURESH KURUP

Will the Minister of AGRICULTURE be pleased to state:

(a) whether the World Trade Organisation (WTO) obligations are leaving a disastrous impact on Indian agriculture;

(b) whether with the presence of global farm sector in the domestic market, the Indian farmers are being driven out as they are not able to compete with the products; and

(c) if so, the Government`s reaction thereto?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI HUKUMDEO NARAYAN YADAV)

(a) to (c): According to the Agreement on Agriculture India is not required to reduce the assistance given to the agriculture. The WTO Agreement on Agriculture does not really constrains us from following our developmental policy with regard to agriculture. Apart from this, WTO agreements have provided a predictable rule based multilateral trading system which protects developing countries from the bilateral pressures of the developed countries. By virtue of signing of WTO agreement of India is automatically entitled to get treatment of the most favoured nation (MFN) from all WTO members for its exports.

There has not been any significant change in the composition of imports except edible oil. Import of edible oil takes place as there is a gap in the demand and the indigenous production.

In order to keep a watch on the imports, the Government have put in place a suitable mechanism for monitoring the import of sensitive items and are committed to provide adequate protection to the domestic producers by resorting to various WTO compatible measures which include calibration of applied tariffs within bound tariffs, anti-dumping and safeguard action and imposition of countervailing duties under certain specified circumstances. Further, in the recently concluded 4th Ministerial Conference of the WTO at Doha, Member Countries have committed themselves to negotiations aimed at substantial improvement in market access, substantial reduction in trade distorting domestic support and reduction with a view to phasing out of export subsidies. Special and Differential Treatment for developing countries including recognition of food security and rural development have now become an integral part of the mandated negotiations on agriculture.